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OGC 7-0286a

26 February 1957

MEMORANDUM FOR: Colonel White

1. It is not as easy to comment on Agency managerial problems now as it was a few years ago when they were more obvious and of greater magnitude. Problems are more subtle and harder to identify but for that very reason require a higher degree of management skill and sophistication. As in a successful private industry, the main problem now is to keep, particularly the Branch Chief level, alert to his managerial responsibilities and constantly striving for improvement. One trend that must be fought in all large organizations is a tendency towards bureaucratic rigidity. This involves following procedures just because they have always been there, overliteral interpretation and application of regulations, and overcoordination. As examples, but without intending to single them out, we can cite the tendency in Procurement to apply the Armed Services Procurement Regulations to situations to which they may not be suited even though we have ample legal authority to vary therefrom.

2. Branch Chiefs should also be constantly reminded that the drive and spark of their branches come from the top, and they must constantly give the impetuous down through all levels of their offices. There is again a natural tendency to feel that if you have a good organization you can lie back and let it run.

3. Personnel administration is as always perhaps the most crucial problem. I still feel there are areas where reduction in personnel is not only possible but would be advantageous. I feel

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there is almost a universal attitude that whenever a vacancy occurs a requisition must be put in. To my mind it would be healthy to allow some attrition and see what happens, at least in certain areas, and that this attitude could be encouraged. Very few people apparently realize how much more efficient a small office is than a large one and how quickly the internal complications of an office reduce with a small reduction in personnel. A 20 per cent reduction does not increase the workload on the remainder by 20 per cent but rather I venture somewhat less than 10 per cent due to elimination of overhead, coordinations, and the other frustrations of size.

4. A matter which has come rather strongly to our attention recently but has a long history and is pertinent primarily to the DD/P is the interrelationship of staff and area divisions. This may not be pertinent to your immediate question but an excellent example is the ineffective relationship between SR and certain of the areas. This is a type of situation that requires the highest type of management skill.

5. Of course there is the ever-present problem of paper handling--too much paper and too much delay in its processing. I feel there is a great deal the Branch Chiefs can do within their own organization to speed the processing and action on paper work and to reduce it considerably, but they must look into this personally. One minor example I have commented on before. A couple of years ago I had occasion to comment to the Comptroller that the Treasury check for my own vouchered travel were coming in anywhere from six weeks to three months after I had submitted a voucher. I had the pleasure the other day of noting to the Comptroller's Office that the most recent checks I had received had been within a week or two after I had sent in the voucher. I do not know how this was accomplished but I would make a small bet that it was due to the head of the Travel Section or some such officer putting real pressure on to simplify and speed up the paper work.

6. I find nothing that alarms me in what I have mentioned above. It merely emphasizes that the larger your organization, the faster management has to run to stand in one place let alone improve.

S/

LAWRENCE R. HOUSTON
General Counsel

OGC:LRH:jeb
cc: OGC ~~chrono~~-no circ
subject-O&M

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20 February 1957

Larry:

I have agreed to participate in the next "Basic Management Course" through a discussion of "DD/S Views on Principal Management Problems Facing the Agency Today." This Course is aimed primarily at the Branch Chief level, presuming that he spends full time in management activities (planning, directing, coordinating, and controlling) rather than in direct substantive work.

Since you are closely associated with this level, and perhaps closer than I to the Agency problems of greatest interest to this group, I would be most grateful for any ideas you might have on the subject. I don't need anything very long-----just topics, and the briefest of comments to indicate your thinking. I would appreciate having them by 27 February.



L.K.W.

Personnel - reduction.
Drive - spark.
Staff - area
Paper handling

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